

Recovery Act Provides \$5 Billion to Assist Needy Families

The U.S. Department of Health and Human Services (HHS) today announced the availability of up to an additional \$5 billion in emergency funding for the Temporary Assistance for Needy Families (TANF) program. This new Emergency Fund, established by the American Recovery and Reinvestment Act of 2009, will help states serve more families seeking employment opportunities and other forms of assistance during the economic downturn.

“More Americans have lost their jobs and their health care and they are struggling to put food on the table,” said HHS Spokeswoman Jenny Backus. “The Recovery Act gives states the resources and the flexibility to ensure they provide assistance and employment opportunities that will help get more Americans back on their feet.”

In order to be eligible to receive resources from the Emergency Fund, a state must demonstrate an increase in the number of families receiving assistance from the TANF program or an increase in expenditures on employment subsidies or short-term, one-time benefits in at least one quarter during Fiscal Years 2009 or 2010.

In addition, the Recovery Act provides states with more flexibility in using TANF funds unspent from prior years to assist families in need and temporarily modifies the caseload reduction credit to ensure states are not punished as the number of families seeking assistance increase during these difficult economic times. The Recovery Act also continues a supplemental grant program that provides additional support to 17 states with growing populations.

Recovery Act funds used to support the TANF program will be subject to the same rules and restrictions as other TANF funds. Existing federal work requirements and time limits apply to families receiving assistance with Recovery Act funds exactly as they do to families receiving other federal TANF-funded assistance.

“Americans are seeking the security and dignity that comes with a job and millions are doing all they can to find work in one of the worst economic downturns in our history,” added Backus. “The Recovery Act reinforces work and responsibility and helps ensure hard-working Americans support their families as they continue to seek work or hold onto a job during tough times.”